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*** This document has been prepared as a resource for State Revolving Fund loan recipients and their engineers. In order to improve future versions, your feedback is appreciated. Please send any comments to Shannon Fisher at smfisher@nd.gov ***
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Appendices

Please note that the documents listed below are frequently updated. Follow the link for the most up-to-date version.

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Chapter 1. Introduction

About the Program

The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) provide low-interest loans to borrowers for financing a wide variety of water and wastewater infrastructure projects. The program is funded through a combination of capitalization grants from the United States Environmental Protection Agency (EPA), state match funds, and repayments from current loans. Working in conjunction, the North Dakota Department of Environmental Quality (NDDEQ) and the North Dakota Public Finance Authority (PFA), administer the program on behalf of the EPA.

Both programs are administered through the NDDEQ Division of Municipal Facilities.

About this Manual

This manual is intended to provide loan recipients and their engineers with basic information about the program. A description of the process necessary to comply with the program’s requirements is included. The manual is divided into sections about each component of a project, and the paperwork necessary at each step is described in detail. This manual is subject to revision and should be accessed from the NDDEQ website to ensure the most up-to-date version.

Website Resources

This manual, program information, and the current year’s Intended Use Plan and Priority List, can be found on the NDDEQ website at https://deq.nd.gov/MF/Publications.aspx. Forms can be found on the NDDEQ website at https://deq.nd.gov/MF/Forms.aspx. The loan applications can also be found on the PFA website at http://www.nd.gov/pfa/srf.html.

Project Flowchart

A flowchart illustrating the step-by-step process of the SRF program is shown here. Any deviations from this process should be discussed with the SRF project engineer in order to minimize potential delays or issues securing funding.

Contact Us

Technical questions regarding the CWSRF and DWSRF programs can be addressed to the corresponding SRF program manager or the project engineer assigned to a specific project. Contact the Division of Municipal Facilities at 701-328-5211 for further information. Specific contact information for all SRF personnel with the Division of
Municipal Facilities can be found at the bottom of our division homepage at [https://deq.nd.gov/MF/](https://deq.nd.gov/MF/). Financial questions related to the CWSRF and DWSRF programs can be addressed to the PFA at 701-328-7100.

**Financial Advantages**

The SRF program offers loans to borrowers at below-market interest rates. As of January 1, 2017, the interest rate is 1.5 percent with a 0.5 percent administrative fee for an effective 2.0 percent interest rate. Whereas most loan programs provide the borrower with a lump sum of the loan amount, the SRF program provides funds as they are requested by the borrower. Consequently, interest only accrues on the funds that have been paid out, rather than the full loan amount. This results in significant cost savings over the length of the loan term. Bond counsel fees are the only cost of issuance expense. A comparison of costs for different funding options is provided in the following table:

Table 1. Funding Cost Comparisons

<table>
<thead>
<tr>
<th></th>
<th>20-Year Financing</th>
<th></th>
<th>30-Year Financing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SRF 2.00%</td>
<td>Bond Market Rate 3.00%</td>
<td>SRF 2.00%</td>
<td>Bond Market Rate 3.50%</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Cost of Issuance/</td>
<td>$5,000</td>
<td>$39,000</td>
<td>$5,000</td>
<td>$41,100</td>
</tr>
<tr>
<td>Underwriter's Discount</td>
<td>$61,463</td>
<td>$77,500</td>
<td>$44,873</td>
<td>$62,825</td>
</tr>
<tr>
<td>Debt Service Reserve Fund (DSRF)</td>
<td>$61,463</td>
<td>$75,290</td>
<td>$44,873</td>
<td>$60,911</td>
</tr>
<tr>
<td>Total Principal</td>
<td>$1,005,000</td>
<td>$1,120,000</td>
<td>$1,005,000</td>
<td>$1,105,000</td>
</tr>
<tr>
<td>Total Interest</td>
<td>$168,188</td>
<td>$385,800</td>
<td>$255,896</td>
<td>$697,725</td>
</tr>
<tr>
<td>Total Administration</td>
<td>$56,063</td>
<td>$0</td>
<td>$85,299</td>
<td>$0</td>
</tr>
<tr>
<td>Total Principal/Interest/</td>
<td>$1,167,788</td>
<td>$1,428,300</td>
<td>$1,301,322</td>
<td>$1,739,900</td>
</tr>
<tr>
<td>Admin Less DSRF</td>
<td></td>
<td>$1,461,463</td>
<td>$1,301,322</td>
<td>$1,804,875</td>
</tr>
<tr>
<td>Savings Provided by SRF Funding</td>
<td>-</td>
<td>$260,512</td>
<td>-</td>
<td>$438,578</td>
</tr>
<tr>
<td>Percent Savings Provided by SRF Funding</td>
<td>-</td>
<td>22.3%</td>
<td>-</td>
<td>33.7%</td>
</tr>
</tbody>
</table>

The borrower also has the option (with PFA approval) of repaying the principal early without penalty as long as payment funds are from excess revenues and not bond proceeds. This can result in further cost savings.

**Past Projects**

A wide variety of projects have been funded by the SRF programs since their inception. Some projects serve a few hundred people, while others serve more than 10,000. The size and scope of projects also vary. Loan amounts have ranged from $27,000 to $126,500,000. Below are a few examples of projects that have utilized SRF funding.
Fargo Wastewater Treatment Facility Improvements
The project consists of improvements to the wastewater treatment facility (WWTF) that serves the City of Fargo. Portions of the existing facility have been found to be deficient due to the physical condition or age of the components. The facility is approaching its design capacity and the city has recently agreed to accept wastewater from the cities of West Fargo and Horace. Failure to perform the recommended rehabilitation and expansion may result in the discharge of wastewater that exceeds the city's discharge permit requirements.

The project will repair or replace deficient equipment and provide additional wastewater treatment capacity for the city of Fargo and other communities in the region. The improvements will ensure that the city is able to adequately treat the wastewater flow and meet its discharge permit requirements.

The WWTF improvements began construction in 2018 and construction is expected to be completed in 2024. The CWSRF Program approved two 30-year loans at a 2 percent interest rate and is the sole funding source for the project. One $20,229,000 loan was approved for the engineering portion of the project and one $126,500,000 loan was approved for the construction portion of the project. Due to higher than estimated bids for Phase IIB in 2020, the city is considering applying for a loan increase to cover the project costs.

Center Sanitary Sewer and Watermain Improvements
The project consists of improvements to the sanitary sewer collection and water distribution systems for the City of Center. Both systems were constructed around 1920 and have had some updates in the 1980's, but still contain some outdated and improperly-functioning components. The sanitary sewer collection system is comprised mostly of vitrified clay pipe (VCP) and is functioning well, however, there are multiple areas with sags, cracks, and fractures allowing inflow and infiltration (I/I). The sanitary sewer system also contains an inverted siphon under Square Butte Creek that does not function properly due to lack of sewer flows causing the siphon to become plugged until enough head pressure builds up to clear the plug. The water distribution system is in good condition overall, however, old designs and lack of updates over the years have resulted in areas with dead ends and pressure issues.

The proposed project consists of replacing the sanitary sewer and water mains in the areas with the worst existing pipe conditions as well as replacing the unreliable inverted siphon with a lift station and force main. The new sanitary sewer mains will eliminate the inflow and infiltration and the lift station will greatly reduce the amount of maintenance while increasing the reliability of the sanitary sewer system. Likewise, the new watermains, with proper looping, will increase pressure and reliability to the homes in the area.
The proposed project will begin construction in the spring of 2021 and is expected to be completed in September of 2021 at a cost of $1,814,000. The city was awarded CWSRF and DWSRF loans of $547,000 and $102,000, respectively, with the United States Army Corps of Engineers providing the remaining $1,165,000.

**Wing Sanitary Sewer Improvement**

The project consists of improvements to the wastewater collection system and the replacement of all water meters throughout the city. The pipes and manholes have deteriorated over time and are allowing I/I to enter the sanitary sewer system. The I/I causes increased stress and strain on the city’s wastewater collection and treatment. The groundwater entering the system through I/I carries sediments which can cause sewage backups and damage to the impellers in lift station pumps. The existing water meters in the city are from the 1960s and are starting to fail. With the current meters, the city does not have a means to accurately bill for water or sewer utilities.

The project will rehabilitate the existing sanitary sewer mains and manholes by using cured-in-place-pipe (CIPP) to reline sections of the system. The CIPP will repair the collapsing and cracked pipe in the most cost-effective way. The water meter replacement allows the city to accurately bill for water and sewer utilities. Also, water meter replacements would ensure increased water efficiency.

Construction for this project started in June of 2020 and ended in October of 2020. This project qualifies for a Green Project Reserve amount of $68,279 due to the water meter replacement increasing water efficiency. A CWSRF loan was approved for $635,000 and $190,500 was approved as loan forgiveness.

**Wyndmere Storm Sewer and Street Improvements**

The proposed project consists of improvements to storm sewer, sanitary sewer, watermain and street system in the City of Wyndmere. The City of Wyndmere has a high ground water table that has caused continually wet subsurface condition. Consequently, sanitary sewer, storm sewer, watermains and streets have significantly degraded. In addition, portions of sanitary sewer, watermains, and storm sewer are at the end of their useful life. This could result in significant problems to the city’s infrastructure system.

The proposed project will involve replacement of the watermains, installation of an adequate storm sewer system, reconstruction of the existing street system, and extension of the sanitary sewer. The improvements will prevent flooding of the city streets and correct the infiltration and inflow problem in the sanitary sewer and watermains.
The proposed project began construction in 2020 and expected to be completed in 2023 at a cost of $7,355,000. The city obtained CWSRF and DWSRF loans for $4,365,000 and $1,196,000, respectively.

**Mapleton Ground Storage Tank**

The City of Mapleton has three drinking water storage tanks providing a combined volume of 250,000 gallons. A multi-legged elevated tank constructed in the 1960s has been inspected and was determined to need rehabilitation. However, rehabilitating the existing tank would not solve the city’s problem of a lack of adequate storage. A study was conducted to evaluate a do-nothing alternative, rehabilitation of the existing tank, construction of an elevated tank, and construction of a ground storage tank. Replacement of the multi-legged elevated tank with a new 300,000 gallon ground storage tank was the selected alternative.

The project was funded using a $1,400,000 loan through the DWSRF program and $1,305,000 in cost-share from the State Water Commission.

**Tri-County Water District Phase 5 Water Supply Project**

Tri-County Water District (TCWD) provides water to rural users primarily in Nelson, Grand Forks, and Walsh Counties. The purpose of this project is to provide quality potable water to users who are currently using lower-quality private well water. The project connects as many additional users as feasible with TCWD’s WTP capabilities and the supplemental water supplies from the City of McVille and the Greater Ramsey Water District.

The DWSRF program approved a $1,610,000 loan and TCWD also obtained $1,990,000 in State Water Commission cost-share to fund the project.
Chapter 2. Project Priority List

The Project Priority List (PPL) is an ordered ranking of all eligible SRF projects. It is a component of the Intended Use Plan (IUP) and is submitted as part of the capitalization grant application. A new list is created every year, and potential loan recipients and interested parties must submit a questionnaire in order to be placed on or stay on the list.

A memo will be sent to city officials and consulting engineers to request questionnaires for potential projects. The DWSRF Program sends out its announcement in August with an October submission deadline. The CWSRF Program will send its request for questionnaires in October with a December submission deadline. The most recent version of the questionnaires for each program can be found on the website here.

Loan applicants are encouraged to submit questionnaires for any projects that may proceed to construction within the next calendar year and may seek funding from the SRF Program. An applicant is not required to use the SRF Program once they are on the list; however, a project must be on the PPL to be eligible to receive funding. Loan forgiveness funds may be available to projects depending on their location on the list, which may influence an applicant’s funding choices. A project will not be denied funding based on its ranking; any project that is ready to proceed may apply for and be approved for a loan.

DWSRF Project Questionnaire

A full questionnaire must be submitted the first time a project is placed on the DWSRF PPL. A shorter questionnaire update must be submitted each successive year for the project to remain on the list. The information provided in the questionnaire is used to rank the projects based on a point system. In order to receive all possible points for an item, sufficient detail and supporting documentation may be required. The questionnaire includes questions about the system’s water quality, water quantity, infrastructure adequacy, and project affordability. A brief description of the project’s scope and the need for the project must be provided. To receive points under the Water Quality section of the questionnaire, additional documentation such as test reports must be provided to support claims that the project is necessary to correct water quality problems if regulatory sampling hasn’t been completed. To receive points under the Water Quantity section of the questionnaire, documentation must be provided to quantify the water supply available based on population served.

All systems must provide the current and projected population served, the current and projected service connections, and the current and projected water service user rates.
Regional and rural water systems should refer to Attachment 1 of the questionnaire for additional instruction on completing this section of the questionnaire.

**CWSRF Project Questionnaire**

The CWSRF project questionnaire requires a description of the project’s scope, project costs and schedule, number of users paying for the project, and sewer service user rates. Any portions of the project that incorporate elements of green infrastructure, energy efficiency, water efficiency, or environmentally innovative activities should be described. Only one questionnaire is used by CWSRF Program. Therefore, this same questionnaire must be updated and submitted each year a project is to be placed on the PPL.

**Preparation of Project Priority List**

Questionnaires will be ranked by SRF staff. Approximately one month after the questionnaire deadline, a draft PPL will be sent to city officials and engineers for review. Any comments or changes may be communicated to the program manager at this time. A public hearing will be held for each program to allow for further comments on the IUP. The list will be finalized after the comment period has closed (one week after the public hearing) and incorporated into the IUP that will be submitted to the EPA for review and approval.

Once the PPL has been finalized, no further changes or additions can be made to the list. In the event that a project proceeds with construction but is not on the list and wishes to use SRF funding, interim funding must be used until the project can be placed on the priority list the following year. The Capital Financing Program offered through the PFA is often used. All requirements of the SRF program must be followed in order for a project to be approved for SRF funding at a later date. Please contact the CWSRF or DWSRF Program Manager to discuss options available for a specific project.

**Notification of Availability of Loan Forgiveness Funds**

Depending on each program’s appropriation for the fiscal year, loan forgiveness funds may be available to projects at the top of the priority list. A letter will be sent to loan recipients to inform them of their eligibility for loan forgiveness funds and the approximate amount available. The letter will also include deadlines for submitting a loan application and obtaining a binding commitment date.
Chapter 3. Loan Application

Loan Timing Strategy

There are two philosophies used by systems when applying for SRF loans.

- **To apply early, but the project doesn’t proceed until project financing is secured**: The risk with this approach is that the approved loan amount may not be large enough to cover the project if bids come in much higher than expected. A loan increase may be required at that point, which means submitting a new application and related documentation, and necessitating another financial review by the PFA with additional bond counsel fees.

- **To wait to submit the loan application until after the bid opening so costs are known**: The risk in this situation is that the system may take on more costs than the PFA determines the system can pay back. If the project costs more than the system can afford, the project may be delayed while other sources of funding are found, or the project may have to be modified to fit what the system can afford. To avoid these concerns, the PFA can review the loan application but not act on it until after the bid opening.

Loan Application Process

The typical process in which a recipient applies for an SRF loan is as follows:

- In order to qualify for an SRF loan, the project must be on the Project Priority List.
- The loan applicant must select and retain a bond counsel.
- The appropriate application must be submitted to the NDDEQ.

Loan Application Package

The loan application package is available on the PFA website [here](#). This website should be accessed to assure the most up-to-date version.

- The application must be filled out completely before approval will be given.
- On the first page, be sure to include these commonly omitted items:
  - Nine-digit DUNS number
  - Physical address and mailing address
  - Nine-digit zip code
- Both programs require the submittal of a budget sheet showing all costs and funding sources for the project.
• The Resolution of Governing Body of Applicant designates the loan applicant’s authorized representative who will sign all signature pages.
• All signature pages must be submitted with **original signatures**.

The Contents and Instructions page is shown in Figure 1. Please note the commonly missed items on this page.

**Figure 1. Contents and Instructions Page**
The contact information for the political subdivision (Figure 2) must be filled out completely. This includes the selection of a bond counsel, which is an attorney that specializes in preparing all legal documents for bond issues. A current list is located on the PFA website here.

![Figure 2. Loan Application Page 1](image)

- Be sure to include the DUNS number
- Cannot be a P.O. Box
Section B of the loan application (Figure 3) requires information about all funding sources for the project. Community Development Block Grant (CDBG) and local funding automatically populate as other funding sources in the online application; however, these fields may be edited. Please note that item 3 may require supplemental information concerning the project’s useful life. Additional information can be found in the Loan Term Determination section of this manual.

Figure 3. Loan Application Page 2
Information about the loan recipient’s source of debt repayment is described in Section C of the loan application (Figure 4). Repayments financed by revenue bonds require information about the past, present, and future rate schedules.

Figure 4. Loan Application Page 3

Current and past school enrollment information is described in Section E (Figure 5). The Department of Public Instruction website may be used to obtain this information.
Applicants commonly fail to answer the questions in Section F (Figure 6). The PFA may be contacted for assistance with these questions.

Section G provides a list of additional documentation that may need to be attached to the loan application. Please review this list carefully as omitting these documents may delay processing of the application. Part 2.A. of section G requires submittal of the three most recently completed audit reports or Annual Financial Reports in Lieu of an Audit (required by the state auditor). If audits or reports are already being filed with the PFA, only those not previously filed must be provided. Part 2.B. requires submittal of the most recent year-end and month-end combined statements of revenues and expenses for all funds. If the financial statements are not generated by accounting software or another PFA pre-approved format, please complete the financial forms spreadsheet.
Designation of an Authorized Representative

The individual identified on the Resolution of Governing Body of Applicant is the one and only individual that may sign SRF loan applications and payment requests on behalf of the borrower. If the borrower wishes to change their authorized representative, a new Resolution of Governing Body of Applicant must be submitted to the SRF program.

Interim Financing

Occasionally, a project will become ready to proceed without being on the current year’s priority list and yet still desire SRF financing. The SRF program will work with these projects from the start, treating them as SRF projects. The borrower typically uses interim financing until the project is placed on the following year’s priority list and becomes eligible for SRF financing.

Loan Increase

Occasionally, a project will require additional funding after the loan has been approved. In these situations, update the original application or submit a new application. Below are the most common updates required:
• Original copy of page 1 of the application. If the official designated to sign the application has changed, please prepare a new “Resolution of Governing Body of Applicant.”
• Section B.2. on page 2 and any other information that has changed.
• Section C.2. on page 3 and any other information that has changed.
• Section D.1. on page 4, if applicable.
• Sections E.1. and E.3. on page 5, if there is a substantial change.
• Section E.2. on page 5.
• Budget sheet on page 7. Be sure it matches page 2.
• Provide audited financial statements that were not previously submitted. If audited financials are not available, please provide interim year-end financial statements.
• Provide the most recent balance sheet and income statement.
• Provide a copy of any new budget approved since the original application submittal.

**Refinancing Loans from Other Federal Agencies**

Both SRF programs may be able to refinance loans for projects originally funded through other federal agencies (for example, USDA- Rural Development, CDBG, or American Recovery and Reinvestment Act (ARRA) loans). Eligibility for refinancing depends on the federal crosscutters required by each agency at the time the project was constructed. Contact the CWSRF or DWSRF Program Manager to confirm eligibility of all loan refinancing. The following requirements apply:

- The project must be an eligible SRF project.
- The project must be on the Project Priority List.
- Plans and specifications were approved between July 1, 1993 and October 30, 2009.

Some projects with plans and specifications approved after October 30, 2009 may be able to be refinanced - contact the CWSRF or DWSRF Program Manager.

The remaining useful life of the project to be refinanced must not exceed the desired loan term. Information about the project’s useful life must be provided according to the following “Loan Term Determination” section.

After loan approval, the following items will need to be provided before funds will be disbursed:

- A loan summary document from the borrower
- A copy of the executed construction contract
• A copy of the final contractor’s pay estimate

**Loan Term Determination**

Applications requesting a loan term exceeding 20 years must be accompanied by a list of project components, their estimated cost, and an estimate of their useful life. Each component of the project shall be assigned a useful life of 1) 20 years or less or 2) 30 years or more. Components with a 20 year or less useful life include process equipment and pumps, electrical components and controls, auxiliary equipment, paint and coatings, and roads and asphalt surfacing. Components with a 30 year or more useful life include buildings and concrete structures, conveyance structures (piping) including valves and bolts, earthen structures, doors, windows, and other architectural elements.

All project components with a useful life of 20 years or less must be paid off before or during the 20th year of the repayment term in order to be eligible for a longer loan term. The SRF program will make this determination at the time of loan application approval.

**Loan Application Attachment (DWSRF Only)**

There are different applications for the CWSRF and the DWSRF. Both programs require the applicant to demonstrate financial capacity, which is evaluated by the PFA. The DWSRF also requires the applicant to demonstrate technical and managerial capacity. These are evaluated by DWSRF personnel. In order to demonstrate technical and managerial capacity **the applicant must complete the loan application attachment**.

**Loan Application Submittal**

All items in the loan application, plus the DWSRF attachment, must be completed prior to approval. One copy of the **signed, original** application must be submitted to:

Division of Municipal Facilities  
North Dakota Department of Environmental Quality  
4201 Normandy St.  
Bismarck, ND  58503-1324

The department will send a copy of the loan application to the PFA for its review of the financial capacity of the loan applicant.
Chapter 4. Facility Plan and Environmental Assessment

Facility Plan Preparation

The Facility Plan (which includes the Preliminary Engineering Report and the environmental response letters) is intended to describe the problem(s) that a project will address, provide an analysis of the alternatives available, and select an alternative based on the analysis. Potential environmental impacts and actions to mitigate these impacts are described in the Facility Plan. The NDDEQ has prepared an Outline for Facilities Planning, which discusses the required content of the Facility Plan.

Submitting a complete Facility Plan for review will expedite the process for completion of an environmental assessment (EA) and subsequent approval of the Facility Plan. Review and approval times vary depending on the type of EA that must be prepared. Generally, two months should be allowed for approval of the Facility Plan, but the SRF project engineer will be able to give more specific guidance about the time required for approval based on the project specifics.

Solicitation of Comments

During the first stages of preparing the Facility Plan, federal and state agencies must be given the opportunity to provide comments on the proposed project. A list of the required agencies for solicitation can be found in the Outline for Facilities Planning. This is not an all-inclusive list; any local planning authorities or other parties that may be affected by the project should also be contacted.

At a minimum, a letter describing the project and a map of the project area should be provided to each agency. Agencies are given 30 days to respond. A copy of the response letters from each agency should be included as part of the Facility Plan. Any concerns expressed by the agencies should be addressed by discussing mitigation efforts. Copies of any agency-required permits should be provided with the Facility Plan submittal.

Farmland Protection Policy Act

Projects that convert farmland to non-agricultural use and are funded by a federal agency may be subject to the Farmland Protection Policy Act (FPPA). FPPA is implemented through the Natural Resources Conservation Service (NRCS). Generally, the agency’s response to the solicitation of comments letter will identify if a proposed project is exempt from FPPA. Projects that are located entirely within a city’s boundaries are not covered by FPPA, and no further action needs to be taken.
The engineer must fill out sections I and III of form AD-1006 (Farmland Conversion Impact Rating) if the project has not been identified as exempt from FPPA. The form, along with a map showing the project boundaries, must be submitted to the local NRCS field office. Within 10 days, the NRCS will review the form and complete sections II, IV, and V if farmland covered by FPPA will be converted by the project. The engineer must then fill out sections VI and VII. The scores for sections V and VI will be added together for the total score. If the total score is less than 160, no additional sites need to be evaluated. If the total score is greater than 160, additional sites should be evaluated to identify land that converts less farmland or converts farmland with a lower relative value.

**Cultural Assessment**

The National Historic Preservation Act of 1966 established a program for the preservation of historic properties throughout the United States. The North Dakota State Preservation Office may require a Class III Cultural Resource Inventory to determine if any historic properties are affected. The Cultural Resource Inventory must be provided to the State Historical Preservation Officer, and the officer's response should concur that no historic properties are affected. This response should be included in the Facility Plan.

**United States Army Corp of Engineers Section 404 Permit**

Section 404 of the Clean Water Act (CWA) prohibits the discharge of dredged or fill materials into the waters of the United States without a permit. The United States Army Corp of Engineers (USACE) is responsible for issuing Section 404 permits. The solicitation of comments letter from the USACE may indicate that a permit is required for a project. The Facility Plan should address the status of the permit application.

**Cost and Effectiveness Analysis**

The SRF program requires that all project alternatives presented in the Facility Plan be analyzed for their cost and effectiveness. All processes, materials, techniques, and technologies must be evaluated. To the maximum extent practicable, the alternative that maximizes water and energy conservation shall be chosen. The analysis must also take into account the costs of:

- Construction of the project
- Operation and maintenance over the life of the project
- Replacement of the project

A copy of the Cost and Effectiveness Certification form signed by the engineer and the loan recipient must be submitted with the Facility Plan for CWSRF projects only.
Environmental Assessment Determination

The SRF project engineer will determine which kind of EA is appropriate for a proposed project based on the agency responses and information provided in the Facility Plan. A vast majority of SRF projects require either a Categorical Exclusion (CatEx) or a Finding of No Significant Impact (FONSI). Projects that may have a significant impact on the environment require an Environmental Impact Statement (EIS).

A Categorical Exclusion is completed if a proposed project is eligible for exclusion and does not involve any extraordinary circumstances. This typically applies to projects constructed on previously disturbed land such as existing road right-of-way. The SRF project engineer will prepare a news release for publication in the newspaper of record for the municipality receiving assistance. Once the news release has been published, the Facility Plan may be approved. No comment period is required.

A FONSI is completed if an EA document determines that a proposed project does not have any significant environmental impacts and does not otherwise qualify for a Categorical Exclusion. The SRF project engineer will use the information provided in the Facility Plan to prepare an EA document. Upon completion of the EA document, the FONSI will be prepared by the SRF project engineer. The FONSI will be published in the official newspaper of record for the municipality receiving assistance, and 30 days will be allowed for the public to provide comments on the proposed project. If no comments are received after the 30 days have passed, the FONSI will be accepted and the Facility Plan may be approved. Comments may be received during the FONSI publication period that can be resolved and mitigated via the environmental review process. If comments are received that cannot be resolved, an EIS will be required.

Other federal agencies providing assistance to a project (such as the Community Development Block Grant Program) may be required to complete an environmental review. A copy of the solicitation letters and an affidavit of publication for the FONSI or Categorical Exclusion shall be obtained from the agency. This will fulfill the requirements of the SRF program.

The Facility Plan approval should precede approval of the Plans and Specifications and bidding of the project. If the project timeline requires any deviation from this procedure, the engineer should contact the SRF project engineer at the earliest time possible. The SRF project engineer can assist with ensuring that proper program procedures are followed and help to minimize any delays. The construction contract cannot be awarded until the environmental review process is complete and authorization to award is received from the NDDEQ.
A Facility Plan approval letter will be sent to the engineer and the loan recipient. The loan recipient should keep a copy of the approved Facility Plan and the approval letter in the project file.
Chapter 5. Plans & Specifications

The SRF process requires the development, submittal, and approval of the construction plans and specifications for all projects. There is standard language and process, along with certain forms, that must be included in the plans and specifications per the SRF requirements.

The following items need to be included with the Plans and Specifications submittal:

**Contract Documents**

- Advertisement for Bids
  - Includes required language (Disadvantaged Business Enterprise or DBE, Minority Business Enterprise or MBE, and Women’s Business Enterprise or WBE goals, Executive Order 11246)
  - The bids shall be advertised in compliance with state law.
- Information for Bidders
- Bid Form (Proposal)
- Bid Bond - 5 percent
- Agreement
- Payment Bond - 100 percent
- Performance Bond - 100 percent
- Notice of Award
- Notice to Proceed
- Change Order
- Construction Contract
- Insurance Information
- Time of Completion (number of days or actual completion date)

**General, Supplemental, and Special Conditions**

These sections specify the basic conditions and requirements during construction.

- Protests concerning bid award
- Payments to contractors
- Construction progress schedules
- Contract dispute clause (The contract may provide for optional arbitration with the approval of both parties as mandatory arbitration is not allowed. If a contract dispute clause is not provided, contract disputes will be handled in accordance with state law.)
- Materials testing
• Right-of-entry clause (Site access shall be provided to appropriate government and other officials.)
• Treatment during construction (Provisions shall be made to maintain applicable water quality standards during construction.)
• Biddability
• Constructability

**SRF Specification Package and Required Bid Language**

The “Specification Package and Required Bid Language” packet is a document that includes everything that must be in the specification package as a requirement of the SRF program. It is available [here](#). Engineers should always go to the website and download the current version of the package for new projects. The package provides all necessary language, specifications, and forms necessary for SRF projects.

The following is a list of the information and documents included in the SRF Specification Package:

• Notice of Requirement for Affirmative Action (Figure 8)
  o Goals for Minority Participation (determined based on covered area)
  o Goals for Female Participation (currently 6.9 percent for all areas)
  o Covered Area Described (area determined based on county in which the project is located)
• Equal Opportunity Clause
• Standard Equal Employment Opportunity (EEO) Specifications (Executive Order 11246)
• Guidance for Utilization of Small, Minority, and Women Business Enterprises Requirements
• MBE/WBE Subcontractor Solicitation Information
• Certification Regarding Debarment
• Prohibitions Against Listed Violated Facilities
• Discovery of Archaeological and Other Historical Items
• Occupational Safety and Health Act of 1970
• Davis-Bacon Wage Rate Requirements
• Davis-Bacon Wage Decision
  o The wage decision must be checked for updates 10 days prior to the bid opening.
  o If the bids are held longer than 90 days, the wage decision must be rechecked and updated as necessary.
• American Iron and Steel Requirements
SRF SPECIFICATION INSERT

EQUAL EMPLOYMENT OPPORTUNITY and AFFIRMATIVE ACTION REQUIREMENTS on FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246)

1. The Offerer’s or Bidder’s attention is called to the “Equal Employment Opportunity Standards” set forth here.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor’s aggregate workforce in each trade on all construction work in the covered area, are as follows:

   Goals for minority participation in each trade - _______
   Goals for female participation in each trade - _______

   These goals are applicable to all the contractor’s construction work (whether or not it is Federally assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its federally involved and non-federally involved construction.

   The Contractor’s compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor’s goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number for the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.

4. As used in this Notice, and in the contract resulting from this solicitation, the “covered area” is _______

This notice shall be included in, and shall be a part of, all solicitations for offers and bids on all federal and federally assisted construction contracts or subcontracts.

EQUAL OPPORTUNITY CLAUSES

The Equal Opportunity Clause published at 41 CFR Part 60-1.4(b) is required to be included in, and is part of, all nonexempt federally assisted construction contracts and subcontracts. The Equal Opportunity Clause shall be considered to be a part of every contract and subcontract required by the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts.

In addition to the clauses described above, all federal contracting officers, all applicants, and all nonconstruction contractors, as applicable, shall include the specifications set forth in this section in all federal and federally assisted construction contracts in excess of $10,000 to be performed in geographical areas designated by the Director pursuant to §60-4.6 of this part and in construction subcontracts in excess of $10,000 necessary in whole or in part to the performance of nonconstruction Federal contracts and subcontracts covered under the Executive Order.

SRF Specification Package August 2019

Figure 8. SRF Specification Package Page 1
Submittal

The plans and specifications should be submitted for approval at least 3 weeks before the bid date and shall include the following items:

- A cover letter with the contact information, including email, for the engineer and a brief project description
- Three sets of plans and specifications signed and sealed by a North Dakota-registered Professional Engineer, to include at least one 11x17 set of plans. All plan sheets need to be signed and sealed.
- All items and correspondence should contain the SRF project number

Any projects using a construction management at-risk (CMAR) delivery method may follow a different process than the traditional design bid-award method of delivery. Contact the SRF project engineer as soon as you learn that your client is considering using the CMAR process.

Plans and Specifications Review

The SRF project engineers will be looking for all of the information described above, as well as all other necessary specifications, drawings, and details. The plans and specifications will be reviewed with respect to 10 States Standards (http://10statesstandards.com/) and state design policies.

If there are any discrepancies, the SRF project engineer will notify the engineer and request an addendum or revised plans and specifications. Once ready for approval, the SRF program will issue two letters: (1) a Plans and Specifications Approval and (2) an Authorization to Advertise and Open Bids.
Chapter 6. Bid Process

Bid Opening

The engineer shall review each bid to verify that all SRF requirements are met and ensure the following:

- Acknowledgement of all addenda on the outside of the bid envelope
- A copy of the current contractor’s license inside the outer envelope
- A copy of the 5 percent Bid Bond inside the outer envelope
- A copy of the signed MBE/WBE subcontractor solicitation information sheet(s) inside the outer envelope

If these items are not present, **THE BID CANNOT BE OPENED**.

Following the bid opening, the engineer shall tabulate the bids and submit a bid document package to the SRF program for review and approval.

Bid Documents Review

If a Notice of Award is issued prior to receiving the written Authorization to Award from the SRF program, the owner assumes the risk of not having secured funding. The engineer shall submit the following bid documents to the SRF program for review and approval **prior to contract award**:

- Engineer’s letter of recommendation for award of contract(s), including contract amount(s). If the low bidder is not selected, justification shall be provided.
- Request from loan recipient to award each contract (letter or city council minutes), including contract amount(s). It is highly recommended that the loan recipient approve award of the contract contingent on NDDEQ approval. If the loan recipient awards the project to a contractor for whom the NDDEQ cannot authorize the award, the loan recipient risks losing SRF funding.
- Bid tabulation, including engineer’s estimate. Attach explanation if bid exceeds engineer’s estimate by more than 10 percent.
- Proof of advertising, including affidavit of publication and notice of bid opening.
- Revised budget sheet, if bids exceed the engineer’s estimate and a loan increase will be requested. Revised engineering costs must be allowable and reasonable.
- Loan increase application, if additional SRF funding is desired.
- Current Engineering Agreement specific to the SRF project.
- Any ineligible project costs must be identified.
- Current Davis-Bacon Wage Determination must be used and verified within 10 days before the bid opening.
• Addenda not previously submitted.
• Two lowest proposals (complete, signed, and dated), including the following documentation:
  o A copy of the 5 percent Bid Bond.
  o A copy of the current contractor's license.
  o Acknowledgement of all addenda.
  o A copy of the completed and signed MBE/WBE subcontract solicitation information sheets.
• From the low bidder:
  o Completed Certification Regarding Debarment, Suspension, and Other Responsibility Matters. This form must be submitted to the SRF program by the loan recipient. The loan recipient must receive this form from the prime contractor(s) who must receive one form for each subcontract exceeding $25,000.

The checklist of all required bid documents is located here.

The SRF program will issue an Authorization to Award Letter upon approval of the bid documents. Please note that the Authorization to Award letter is not a guarantee of SRF funding if the loan has not been approved.

CMAR Document Review

Contact the SRF project engineer if a CMAR project delivery method will be used. This document includes additional information about the requirements for the CMAR process.

Contract Award

Contract execution can commence after the authorization to award. The following documentation is required after contract award and prior to processing the first pay request:

• Notice of Award
• Notice to Proceed
• Executed construction contract including performance and payment bonds
• MBE/WBE subcontracts (within 10 working days of their award)
• Workers’ compensation and insurance certificates
• United States Department of Labor (USDOL) form completed and submitted to USDOL and SRF program for any construction subcontracts in excess of $10,000 at any tier for construction work completed under each contract (within 10 working days of their award)
• State tax clearance
Chapter 7. Construction

The construction phase begins with the preconstruction conference and ends when construction is completed and the final inspection is finished.

Preconstruction Conference

During the meeting, the SRF project engineer will discuss the following:

- The project must comply with the Davis-Bacon wage rate determinations in the approved specifications.
- Payroll interviews must be conducted by the loan recipient’s representative, usually the engineer or the on-site resident project representative.
- The project is subject to EEO requirements. A bulletin board must be on location that displays the EEO poster, the Davis Bacon poster, and current Davis Bacon wage rates.
- The project is subject to Occupational Safety and Health Administration (OSHA) requirements and regulations. The engineer or engineer’s resident project representative must document safety meetings.
- All change orders must be reviewed by the engineer and then approved by the SRF project engineer.
- The recipient must maintain separate project accounts.
- The project is subject to American Iron and Steel (AIS) provisions. See the section below for more information on AIS provisions and the waiver process.

American Iron and Steel Provisions for SRF projects

The AIS provisions require assistance recipients “to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works.” Categories of products that must comply with AIS include:

- Lined or unlined pipes or fittings
- Manhole covers
- Municipal castings
- Hydrants
- Tanks
- Flanges
- Pipe clamps and restraints
- Valves
- Structural steel
• Reinforced precast concrete
• Construction materials (materials permanently incorporated into the project such as rebar, wire, nuts and bolts, decking, railings, stairs, ladders, fencing, doors, etc.)

Compliance with AIS provisions is documented by the loan recipient maintaining manufacturer certifications for all AIS products. Each certification letter must be on company letterhead and include the following information:

• The name of the project and to whom the product was delivered
• The specific product(s) delivered to the project site
• The location (city and state) where each product was manufactured
• Signature of a company representative

The contractor is responsible for providing certifications to the loan recipient. At the end of the project, the loan recipient will be required to certify that the project has complied with AIS requirements.

A project-specific waiver may be requested under any of the following circumstances:

• The application of AIS provisions would be inconsistent with the public interest.
• Iron and steel products required for the project are not produced in sufficient or reasonable quantities and of satisfactory quality.
• The inclusion of iron and steel products produced in the United States will increase the overall project cost by more than 25 percent.

The EPA has published multiple national waivers in response to concerns and issues that have arisen during AIS implementation. A complete list of these waivers is located on the EPA website [here](#). The De Minimis Waiver covers AIS products that may be considered miscellaneous in nature. Any product from the published AIS product list may be considered de minimis if all the following conditions are met:

• The total materials cost of all de minimis items is less than 5 percent of the total project material cost.
• Any one item may not exceed 1 percent of the total project material cost.
• The item must be incidental to the purpose of the project, purchased in bulk, and of low cost.
• All materials that qualify for the de minimis waiver must be tracked and tabulated by the project engineer. Documentation must be maintained in the project file.

Further guidance about AIS requirements can be found on the EPA website [here](#). Any concerns about compliance with AIS requirements should be discussed with the SRF project engineer to avoid potential loss of funding.
Inspections

Inspections will be conducted by the SRF project engineer periodically during construction to verify compliance with SRF requirements and document the status of the project. The SRF project engineer will contact the engineer and loan recipient prior to each site visit. The number of site visits will depend on the length of construction and size of the project. Usually, there will be a minimum of three site inspections.

- An initial inspection will be conducted soon after construction has begun. The SRF project engineer will check construction progress and gather administrative information.
- Usually, an interim inspection will be conducted shortly after the initial inspection and approximately once per quarter during construction. The SRF project engineer will check construction progress and document appropriate EEO posters, Davis Bacon posters, American Iron and Steel compliance, project schedule, and any construction deficiencies.
- A final inspection will be conducted after construction is complete. The purpose of the final inspection is to verify that construction is complete and ready for final payment/project closeout. Any unresolved issues, labor disputes, unpaid debts, unfinished items, difficulties encountered, start-up testing results, as-built drawing locations, shop drawings, and payroll records will be documented. The Final Inspection Report will be sent out to the loan recipient and engineer after all final closeout documents are received.
Chapter 8. SRF Payment Requests

General Rules

- The first payment request must be at least 5 percent of the loan amount or $50,000, whichever is less.
- Except for the final payment request, all requests must be a minimum of $2,500.
- Payment requests should be submitted at least quarterly and possibly monthly for larger loan amounts.
- A copy of the Engineering Agreement is required before any engineering fees are reimbursed.
- Executed construction contract, Notice of Award, and Notice to Proceed are required before any construction costs are reimbursed.
- Executed change orders are required prior to requesting reimbursement of costs.
- Contractor’s pay applications must be signed by all parties.
- If the project is near completion, payments will be limited to 95 percent of total cumulative costs to date or the total loan amount, whichever is less, until the SRF program receives all the final documents to close out the loan.
- If the project consists of multiple contracts, the final documents are required as each contract is completed.
- All the final closeout documents must be received and a final inspection must be completed by the SRF project engineer before the final payment can be processed. (See Chapter 9 for a description of the project closeout requirements.)
- Copies of paid requests will be sent back to loan recipients and engineers as time allows.
- Payments are made approximately two weeks after a complete pay request and all required supporting documentation is received.

Payment Requests

- Provide wire instructions to Carrie Willits at the Bank of North Dakota (BND), 701-328-5612:
  - Bank routing number
  - Account number
  - Name on account
- Complete the SRF Request for Payment form with original signatures of recipient’s authorized representative and the engineering firm’s representative.
- Provide one copy of supporting documentation for all costs requested.
Payment Request Form

- The SRF Request for Payment form can be found [here](#).
- The following are items to keep in mind when filling out the form:
  - Boxes 4 and 5 do not need to be filled out. Box 5 may be used for the recipient’s own account number if desired.
  - Line 8.a. is used for advertising fees, legal fees, etc.
  - Lines 8.d., 8.e., and 8.f. should include all engineering fees.
  - Line 8.k. is used for prime construction contracts only.
  - Line 8.l. is used for any eligible equipment purchases.
  - Line 8.m. is used for minor construction costs or any other miscellaneous costs not included on any other lines.
  - Costs which don’t fit in listed classifications may be put on any unused lines from 8.a. through 8.m. by crossing out the line title and inserting a new title such as “Testing,” “Permits,” etc.
  - Line 8.n. is the total of lines 8.a. through 8.m.
  - All lines 8.a. through 8.n. should include cents. Lines 8.p. and 8.q. should be in whole dollars.
  - Line 8.p. is the amount of SRF payments received prior to this request.
  - Line 8.q. is the current amount requested for payment, rounded to whole dollars.
  - Line 9.a. is required to have the [original](#) signature of the loan recipient’s authorized representative.
  - Line 9.b. is required to have the [original](#) signature of the engineering firm’s representative.
- Figures 9 through 11 show examples of typical ways to complete Section 8 of the form. Be sure to show cumulative project costs. If there are multiple funding sources, a separate spreadsheet showing all funding sources needs to be completed and attached to the SRF Request for Payment.
### Figure 9. SRF as the Only Funding Agency

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<tr>
<td>d. Engineering basic fees</td>
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<td>e. Other engineering fees</td>
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<td>f. Project inspection fees</td>
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<td>g. Land development</td>
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<td>h. Relocation expenses</td>
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<td>j. Demolition and removal</td>
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<td>k. Construction and project improvement cost</td>
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<td>r. Percentage of physical completion of project</td>
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### Figure 10. Previous and Current Requests Listed

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Chapter 8. SRF Payment Requests
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</tr>
<tr>
<td>h. Relocation expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Relocation payments to individuals/businesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Demolition and removal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Construction and project improvement cost</td>
<td>$93,481.40</td>
<td>$99,710.88</td>
<td>$193,192.28</td>
</tr>
<tr>
<td>l. Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>m. Miscellaneous cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n. Total cumulative to date (sum of lines a thru m)</td>
<td>$129,578.70</td>
<td>$99,710.88</td>
<td>$229,289.58</td>
</tr>
<tr>
<td>o.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>p. SRF payments previously received</td>
<td>$22,560.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q. Amount requested for payment</td>
<td>$107,016.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>r. Percentage of physical completion of project</td>
<td>%</td>
<td>%</td>
<td>08</td>
</tr>
</tbody>
</table>

**Figure 11. Two Funding Sources**
Documents Required for Final Project Closeout

The final documents package can be found here.

1. The final SRF request for payment.

2. Final balancing change order and any other change orders not previously submitted. Any work performed or material and equipment purchased after the date of the final payment will not be eligible for reimbursement.

3. A copy of the executed final construction contractor’s application for payment covering the value of work in place, and materials and equipment delivered and installed. The loan recipient must approve the payment invoice. If the contract covers both eligible and ineligible work, an itemized cost breakdown of the portion of the work eligible for participation should be included. Original and final construction quantities should be documented.

4. Engineering invoices, agreements, and updates (if not previously submitted).

5. Invoices for all eligible expenses (if not previously submitted). Examples include bid advertising fees, equipment, and eligible legal and administrative fees.

6. Certification by the engineer that construction was completed in accordance with the approved plans and specifications. See example found in final documents package.

7. Loan recipient’s acceptance of work by the contractor. See example found in final documents package.

8. A letter stating that the loan recipient has received a satisfactory Operation and Maintenance Manual, if required. See example found in final documents package.

9. Initiation of operation date. See example found in final documents package.

10. Contractor’s certification of payrolls. Use CONTRACTOR’S CERTIFICATION OF PAYROLLS found in final documents package.

11. Loan recipient’s CERTIFICATION OF PAYROLLS AND STATEMENT OF COMPLIANCE found in final documents package.

12. CERTIFICATION OF COMPLIANCE WITH AMERICAN IRON AND STEEL REQUIREMENTS found in final documents package.
Chapter 10. Ongoing Requirements

Loan Repayment

The BND, as trustee to the PFA, will send the invoices and receive all payments. Within 12 months of the completion of construction, a principal payment must be made. On March 1, a payment for interest and administrative fees is due. On September 1, a payment for principal, interest, and administrative fees is due.

SRF Federal Funds

SRF loans are considered federal funds. Any combination of federal funds (SRF, CDBG, Rural Development, EPA, Housing and Urban Development, etc.) exceeding $750,000 in a fiscal year requires a single audit. A single audit is only required for DWSRF projects in the year(s) that federal funds exceeding $750,000 are received. Only CWSRF equivalency projects are required to complete a single audit.

SRF Annual Review

For each year a loan recipient has an outstanding loan with the PFA, they must submit an audit report. If the political subdivision has a population of less than 500 and has not received more than $750,000 of federal funds during the fiscal year, they may submit the State Auditor’s “Annual Financial Report in Lieu of an Audit.” Both the reserves and the coverage are reviewed and verified.

SRF Requirements for Loans Backed by Revenue Bonds

For loans backed by revenue bonds, reserves must be held by the loan recipient in any type of investment allowable by applicable law. The reserve is required to be funded within 5 years of fully funding an SRF Loan. The required reserve amount is the lesser of: (1) 10 percent of par, (2) maximum annual principal and interest, or (3) 125 percent average annual principal and interest.

Bond resolutions for loans backed by revenue bonds require that the borrower will charge fees that will generate net revenues that are at least equal to 1.2 times the annual debt service for all outstanding revenue bonds.

One Year Certification Letter

Each loan recipient is required to certify that one year after the initiation of operation date, the project is still meeting design specifications and project performance standards. The certification must be dated at least one year from the initiation of operation date. A sample of the One Year Certification letter can be found here.
Abbreviations/Acronyms

ARRA - American Recovery and Reinvestment Act
BND - Bank of North Dakota
CATEX - Categorical Exclusion
CDBG - Community Development Block Grant
CMAR - Construction Management At-Risk
CWA - Clean Water Act
CWSRF - Clean Water State Revolving Fund
DBE - Disadvantaged Business Enterprise
DWSRF - Drinking Water State Revolving Fund
EA - Environmental Assessment
EEO - Equal Employment Opportunity
EIS - Environmental Impact Statement
EPA - Environmental Protection Agency
FONSI - Finding of No Significant Impact
FPFA - Farmland Protection Policy Act
HUD - Housing and Urban Development
IUP - Intended Use Plan
MBE - Minority Business Enterprise
NDCC - North Dakota Century Code
NDDEQ - North Dakota Department of Environmental Quality
NRCS - Natural Resources Conservation Service
OSHA - Occupational Safety and Health Act
PFA - Public Finance Authority
PPL - Project Priority List
RD - Rural Development
SDWA - Safe Drinking Water Act
SRF - State Revolving Fund
USACE - United States Army Corp of Engineers
USDOL - United States Department of Labor
WBE - Woman Business Enterprise
WRRRF - Water Resource Recovery Facility
Glossary

**Bid Bond** - Issued as part of the bidding process by a surety to the project owner to guarantee that the winning bidder will undertake the contract under the terms at which they bid. A bid bond is purchased when a contractor is bidding on a project. It provides the necessary security to the owner that the contractor will enter into the contract if awarded.

**Binding Commitment** - The date the loan is approved by the Industrial Commission or the date the assistant Attorney General approves the form of the bond documents, whichever date is later.

**Bond Counsel** - An attorney hired by a political subdivision or loan recipient to draw up the legal bonds necessary for an SRF loan.

**Capacity** - The ability to maintain and run a public water system without violations and no managerial, technical or financial problems.

**Clean Water Act** - The primary federal law governing water pollution. It established the Clean Water State Revolving Fund Program.

**Construction Management At-Risk** - A public improvement delivery method through which a construction manager provides advice to the governing body during the planning and design phase of a public improvement, negotiates a contract with the governing body for the general construction bid package of the public improvement, and contracts with subcontractors and suppliers for the actual construction of the public improvement.

**Construction Manager** - Contractor licensed under NDCC Chapter 43-07 or an individual employed by a licensed contractor which has the expertise and resources to assist a governing body with the management of the design, contracting, and construction aspects of a public improvement.

**Credit Analysis** - An in-depth review of an issuer’s financial status. The PFA prepares an analysis of all loan applications. If the application is more than $1,000,000, the BND also prepares a credit analysis.
**Crosscutter Laws** - Federal laws, executive orders, and government-wide policies that apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing assistance makes them applicable.

**Disadvantaged Business Enterprise (DBE)** - A business where socially and economically disadvantaged individuals own at least a 51 percent interest and also control management and daily operations (includes MBEs and WBEs).

**Engineer** - The engineer hired by the loan recipient to develop construction plans for the project.

**Engineering Agreement** - The contract between the loan recipient and the consulting engineer which defines exactly what services the engineer has been hired to perform.

**Environmental Impact Statement (EIS)** - A document required by the National Environmental Policy Act for certain actions “significantly affecting the quality of the human environment.” The EIS describes the positive and negative effects of a proposed action, and it lists one or more alternative actions that may be chosen instead. It is more detailed than an EA. See your SRF project engineer for more details.

**Federal Capitalization Grant** - Grant money given to the states by the EPA to finance the SRF programs. Every year, the CWSRF and DWSRF programs apply for a grant. The state must supply a 20 percent match for each grant received.

**Loan Agreement** - A formal document that evidences a loan and its terms, conditions, covenants, remedies, etc.

**Loan Forgiveness** - A certain amount of the federal capitalization grant that may be awarded to SRF projects to discharge a loan balance. Which projects receive loan forgiveness is determined by the project priority list.

**Median Household Income** - A statistic from the United States Census Bureau reflecting the average household income in a given area.

**Minority Business Enterprise (MBE)** - A business which is at least 51 percent owned, operated, and controlled on a daily basis by one or more American citizens of the following ethnic minority classifications: African American, Asian American, Hispanic American, and Native American.
**Par** - The principal amount of a bond due at maturity, usually stated on the face of the bond.

**Payment Bond** - A bond posted by the contractor to guarantee that his subcontractors and material suppliers on the project will be paid. It is sometimes issued as part of a Performance and Payment Bond.

**Performance Bond** - Issued by an insurance company or a bank to guarantee satisfactory completion of a project by a contractor. It is sometimes issued as part of a Performance and Payment Bond.

**Political Subdivision** - A unit of government within a state, including a county, municipality, city, town, township, parish, village, local public authority, school district, special district, council of governments, or any other regional or intrastate governmental entity or instrumentality of a local government. This includes rural water districts. It must have the ability to tax, assess, or charge rates of some sort.

**Revenue Bond** - A type of municipal bond that is guaranteed through the revenues generated from water or wastewater service rates.

**Safe Drinking Water Act** - The principal federal law intended to ensure safe drinking water for the public. It established the Drinking Water State Revolving Fund Program.

**SRF Project Engineer** - The SRF staff member overseeing/reviewing the SRF project.

**Women’s Business Enterprise (WBE)** - A business which is at least 51 percent owned, controlled, operated, and managed by a woman or women.